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DEPARTMENT OF COMMERCE

International Trade Administration

[C-351-844, C-533-866, C-580-882]

Certain Cold-Rolled Steel Flat Products from Brazil, India, and the Republic of Korea:  
Amended Final Affirmative Countervailing Duty Determination and Countervailing Duty Order  
(the Republic of Korea) and Countervailing Duty Orders (Brazil and India)

AGENCY: Enforcement and Compliance, International Trade Administration, Department of  
Commerce

SUMMARY: Based on affirmative final determinations by the Department of Commerce (the  
Department) and the International Trade Commission (ITC), the Department is issuing  
countervailing duty (CVD) orders on certain cold-rolled steel flat products (cold-rolled steel)  
from Brazil, India, and the Republic of Korea (Korea). In addition, the Department is amending  
its final affirmative determination with respect to Korea to correct the rates assigned to Hyundai  
Steel Co., Ltd. (Hyundai Steel), POSCO, and All Others.

DATES: EFFECTIVE [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Sergio Balbontin at (202) 482-6478 (Brazil);

Robert Bolling at (202) 482-3434 (India); and Emily Maloof at (202) 482-5649 (Korea);

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SUPPLEMENTARY INFORMATION:

Background

In accordance with sections 705(a) and 777(i)(1) of the Tariff Act of 1930, as amended  
(the Act), on July 20, 2016, the Department made final determinations that countervailable  
subsidies are being provided to producers and exporters of cold-rolled steel from Brazil, India,

and Korea. Pursuant to section 705(d) of the Act, the Department published the affirmative final determinations on July 29, 2016.<sup>1</sup>

On July 27, 2016, Usinas Siderurgicas de Minas Gerais S.A. (Usiminas) timely filed ministerial error comments, alleging that the Department made errors in the final determination of the CVD investigation of cold-rolled steel from Brazil. No other interested party submitted ministerial error allegations or rebuttals to Usiminas' submission. We analyzed the allegations submitted by Usiminas and determined that only one of the three alleged errors is a ministerial error, as defined by section 705(e) of the Act, and 19 CFR 351.224(f).<sup>2</sup> However, we determined that correcting the ministerial error within the calculations does not change the overall rate for Usiminas.<sup>3</sup>

On July 27, 2016, Hyundai Steel and POSCO timely filed ministerial error comments, alleging that the Department made errors in the final determination of the CVD investigation of cold-rolled steel from Korea. No other interested party submitted ministerial error allegations or rebuttals to Hyundai Steel's and POSCO's submissions. We analyzed the allegations submitted by Hyundai Steel and POSCO, and determined that ministerial errors exist, as defined by section 705(e) of the Act and 19 CFR 351.224(f).<sup>4</sup> See "Amendment to the Korea Final Determination" section below for further discussion.

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<sup>1</sup> See *Countervailing Duty Investigation of Certain Cold-Rolled Steel Flat Products from Brazil: Final Affirmative Determination*, 81 FR 49940 (July 29, 2016) (*Brazil CVD Final Determination*); *Countervailing Duty Investigation of Certain Cold-Rolled Steel Flat Products from India: Final Affirmative Determination*, 81 FR 49932 (July 29, 2016) (*India CVD Final Determination*); and *Countervailing Duty Investigation of Certain Cold-Rolled Steel Flat Products from the Republic of Korea: Final Affirmative Determination*, 81 FR 49943 (July 29, 2016) (*Korea CVD Final Determination*).

<sup>2</sup> See Department Memorandum regarding "Countervailing Duty Investigation of Certain Cold-Rolled Steel Flat Products from Brazil: Ministerial Error Allegation for the Final Determination," dated August 24, 2016 (Brazil Ministerial Error Decision Memorandum).

<sup>3</sup> *Id.*

<sup>4</sup> See Department Memorandum regarding "Countervailing Duty Investigation: Certain Cold-Rolled Steel Flat Products from the Republic of Korea: Response to Ministerial Error Comments filed by Hyundai Steel Co., Ltd. and POSCO," dated August 24, 2016 (Korea Ministerial Error Decision Memorandum).

On September 12, 2016, the ITC notified the Department of its final determinations that an industry in the United States is materially injured by reason of subsidized imports of subject merchandise from Brazil and Korea, within the meaning of section 705(b)(1)(A)(i) of the Act, and is threatened with material injury by reason of subsidized imports of subject merchandise from India, within the meaning of section 705(b)(1)(A)(ii) of the Act.<sup>5</sup>

### Scope of the Orders

The products covered by these orders are certain cold-rolled steel flat products. For a complete description of the scope of the orders, *see* Appendix I.

### Amendment to the Korea CVD Final Determination

As discussed above, after analyzing the comments received from Hyundai Steel and POSCO, we determined, in accordance with section 705(e) of the Act and 19 CFR 351.224(f), that we made ministerial errors with regard to certain calculations in the *Korea CVD Final Determination* with respect to Hyundai Steel and POSCO. This amended final CVD determination corrects these errors and revises the *ad valorem* subsidy rate for Hyundai Steel to 3.89 percent (from 3.91 percent), for POSCO to 59.72 percent (from 58.36 percent), and for the All Others rate to 3.89 percent (from 3.91 percent).<sup>6</sup>

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<sup>5</sup> See Letter to Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, from Irving A. Williamson, Chairman, U.S. International Trade Commission, regarding certain cold-rolled steel flat products from Brazil, India, Korea, Russia, and the United Kingdom (September 12, 2016) (ITC Letter); *see also* Cold-Rolled Steel Flat Products from Brazil, India, Korea, Russia, and the United Kingdom, USITC Investigation Nos. 701-TA-540, 542-544 and 731-TA-1283, 1285, 1287, and 1289-1290 (Final), USITC Publication 4637 (September 2016). The Department also issued an affirmative final CVD determination with regard to cold-rolled steel flat products from the Russian Federation, *see Countervailing Duty Investigation of Certain Cold-Rolled Steel Flat Products from the Russian Federation: Final Affirmative Countervailing Duty Determination and Final Negative Critical Circumstances Determination*, 81 FR 49935 (July 29, 2016), and accompanying Issues and Decision Memorandum. However, the ITC notified the Department that imports of cold-rolled steel from Russia that are subsidized by the Government of Russia are negligible.

<sup>6</sup> See Korea Ministerial Error Decision Memorandum. *See also* Department Memorandum regarding “Countervailing Duty Investigation of Certain Cold-Rolled Steel Flat Products from the Republic of Korea: Amended Final Determination Calculation Memorandum for POSCO,” dated August 24, 2016. The All Others rate has changed because it was determined by the rate calculated for Hyundai Steel, which has now been corrected.

## Countervailing Duty Orders

In accordance with sections 705(b)(1)(A)(i), 705(b)(1)(A)(ii), and 705(d) of the Act, the ITC has notified the Department of its final determinations that the industry in the United States producing cold-rolled steel is materially injured by reason of subsidized imports of cold-rolled steel from Brazil and Korea, and is threatened with material injury by reason of subsidized imports of cold-rolled steel from India.<sup>7</sup> Therefore, in accordance with section 705(c)(2) of the Act, we are publishing these CVD orders.

### *Brazil*

As a result of the ITC's final determinations, in accordance with section 706(a) of the Act, the Department will direct U.S. Customs and Border Protection (CBP) to assess, upon further instruction by the Department, countervailing duties on unliquidated entries of cold-rolled steel from Brazil entered, or withdrawn from warehouse, for consumption on or after December 22, 2015, the date on which the Department published its preliminary affirmative countervailing duty determinations in the *Federal Register*,<sup>8</sup> and before April 20, 2016, the date on which the Department instructed CBP to discontinue the suspension of liquidation in accordance with section 703(d) of the Act. Section 703(d) of the Act states that the suspension of liquidation pursuant to a preliminary determination may not remain in effect for more than four months. Therefore, entries of cold-rolled steel from Brazil made on or after April 20, 2016, and prior to the date of publication of the ITC's final determination in the *Federal Register*, are not liable for assessment of countervailing duties due to the Department's

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POSCO's final subsidy rate was excluded from the All Others rate because it was determined entirely under section 776 of the Act. See section 705(c)(5)(A)(i) of the Act.

<sup>7</sup> See ITC Letter.

<sup>8</sup> See *Countervailing Duty Investigation of Certain Cold-Rolled Steel Flat Products from Brazil: Preliminary Affirmative Determination and Alignment of Final Determination With Final Antidumping Duty Determination*, 80 FR 79569 (December 22, 2015) (*Brazil CVD Preliminary Determination*).

discontinuation, effective April 20, 2016, of the suspension of liquidation.

### *India*

According to section 706(b)(2) of the Act, countervailing duties shall be assessed on subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the ITC's notice of final determination if that determination is based upon the threat of material injury, other than threat of material injury as described in section 706(b)(1) of the Act. Section 706(b)(1) of the Act states, “{i}f the Commission, in its final determination under section 705(b), finds material injury or threat of material injury which, but for the suspension of liquidation under section 703(d)(2), would have led to a finding of material injury, then entries of the merchandise subject to the countervailing duty order, the liquidation of which has been suspended under section 703(d)(2), shall be subject to the imposition of countervailing duties under section 701(a).” In addition, section 706(b)(2) of the Act requires CBP to refund any cash deposits of estimated countervailing duties posted before the date of publication of the ITC's final affirmative determination, if the ITC's final determination is based on threat other than the threat described in section 706(b)(1) of the Act. Because the ITC's final determination with regard to imports of cold-rolled steel from India is based on the threat of material injury and is not accompanied by a finding that injury would have resulted but for the imposition of suspension of liquidation of entries since the publication of the Department's *India CVD Preliminary Determination* in the *Federal Register*,<sup>9</sup> section 706(b)(2) of the Act applies.

### *Korea*

Because the Department's preliminary determination in the Korea CVD investigation

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<sup>9</sup> See *Countervailing Duty Investigation of Certain Cold-Rolled Steel Flat Products from India: Preliminary Affirmative Determination and Alignment of Final Determination With Final Antidumping Duty Determination*, 80 FR 79562 (December 22, 2015) (*India CVD Preliminary Determination*).

was negative, we did not instruct CBP to discontinue the suspension of liquidation with regard to entries of cold-rolled steel from Korea.<sup>10</sup> Therefore, with regard to Korea, we will direct CBP to assess, upon further instruction by the Department, countervailing duties on unliquidated entries of cold-rolled steel entered, or withdrawn from warehouse, for consumption on or after July 29, 2016, the date on which the Department published the *Korea CVD Final Determination* in the *Federal Register*.

#### Suspension of Liquidation

In accordance with section 706 of the Act, we will direct CBP to reinstitute the suspension of liquidation of cold-rolled steel from Brazil and India effective on the date of publication of the ITC's notice of final determinations in the *Federal Register*, and to continue the suspension of liquidation of cold-rolled steel from Korea, effective on the date of publication of the Department's notice of final determination in the *Federal Register*. We will also direct CBP to assess, upon further instruction by the Department, pursuant to section 706(a)(1) of the Act, countervailing duties for each entry of the subject merchandise in an amount based on the net countervailable subsidy rates for the subject merchandise.

On or after the date of publication of the ITC's final injury determinations in the *Federal Register*, CBP must require, at the same time as importers would normally deposit estimated duties on this merchandise, a cash deposit equal to the rates noted below:

<b>Exporter/Producer from Brazil</b>	<b>Subsidy Rate (Percent)</b>
Companhia Siderurgica Nacional (CSN)	11.31
Usinas Siderurgicas de Minas Gerais S.A. (Usiminas)	11.09
All Others	11.20

<sup>10</sup> See *Countervailing Duty Investigation of Certain Cold-Rolled Steel Flat Products from the Republic of Korea: Preliminary Negative Determination and Alignment of Final Determination With Final Antidumping Duty Determination*, 80 FR 79567 (December 22, 2015) (*Korea CVD Preliminary Determination*).

<b>Exporter/Producer from India</b>	<b>Subsidy Rate (Percent)</b>
JSW Steel Limited and JSW Steel Coated Products Limited	10.00
All Others	10.00

<b>Exporter/Producer from Korea</b>	<b>Subsidy Rate (Percent)</b>
POSCO	59.72
Hyundai Steel Co., Ltd.	3.89
All Others	3.89

#### Termination of the Suspension of Liquidation

The Department will instruct CBP to terminate the suspension of liquidation for entries of cold-rolled steel from India, entered or withdrawn from warehouse, for consumption prior to the publication of the ITC's notice of final determination. The Department will also instruct CBP to refund any cash deposits made with respect to entries of cold-rolled steel entered, or withdrawn from warehouse, for consumption on or after December 22, 2015 (*i.e.*, the date of publication of the *India CVD Preliminary Determination*), but before April 20, 2016, (*i.e.*, the date suspension of liquidation was discontinued in accordance with section 703(d) of the Act).

#### Notifications to Interested Parties

This notice constitutes the CVD orders with respect to cold-rolled steel from Brazil, India, and Korea, pursuant to section 706(a) of the Act. Interested parties may contact the Department's Central Records Unit, Room B8024 of the main Commerce building, for copies of an updated listed of CVD orders currently in effect.

These orders are issued and published in accordance with section 706(a) of the Act and 19 CFR 351.211(b).

Dated: September 14, 2016.

Paul Piquado  
Assistant Secretary  
for Enforcement and Compliance



## Appendix I

The products covered by these orders are certain cold-rolled (cold-reduced), flat-rolled steel products, whether or not annealed, painted, varnished, or coated with plastics or other non-metallic substances. The products covered do not include those that are clad, plated, or coated with metal. The products covered include coils that have a width or other lateral measurement (“width”) of 12.7 mm or greater, regardless of form of coil (*e.g.*, in successively superimposed layers, spirally oscillating, etc.). The products covered also include products not in coils (*e.g.*, in straight lengths) of a thickness less than 4.75 mm and a width that is 12.7 mm or greater and that measures at least 10 times the thickness. The products covered also include products not in coils (*e.g.*, in straight lengths) of a thickness of 4.75 mm or more and a width exceeding 150 mm and measuring at least twice the thickness. The products described above may be rectangular, square, circular, or other shape and include products of either rectangular or non-rectangular cross-section where such cross-section is achieved subsequent to the rolling process, *i.e.*, products which have been “worked after rolling” (*e.g.*, products which have been beveled or rounded at the edges). For purposes of the width and thickness requirements referenced above:

(1) where the nominal and actual measurements vary, a product is within the scope if application of either the nominal or actual measurement would place it within the scope based on the definitions set forth above, and

(2) where the width and thickness vary for a specific product (*e.g.*, the thickness of certain products with non-rectangular cross-section, the width of certain products with non-rectangular shape, etc.), the measurement at its greatest width or thickness applies.

Steel products included in the scope of these orders are products in which: (1) iron predominates, by weight, over each of the other contained elements; (2) the carbon content is 2 percent or less, by weight; and (3) none of the elements listed below exceeds the quantity, by weight, respectively indicated:

- 2.50 percent of manganese, or
- 3.30 percent of silicon, or
- 1.50 percent of copper, or
- 1.50 percent of aluminum, or
- 1.25 percent of chromium, or
- 0.30 percent of cobalt, or
- 0.40 percent of lead, or
- 2.00 percent of nickel, or
- 0.30 percent of tungsten (also called wolfram), or
- 0.80 percent of molybdenum, or
- 0.10 percent of niobium (also called columbium), or
- 0.30 percent of vanadium, or
- 0.30 percent of zirconium

Unless specifically excluded, products are included in this scope regardless of levels of boron and titanium.

For example, specifically included in this scope are vacuum degassed, fully stabilized (commonly referred to as interstitial-free (IF)) steels, high strength low alloy (HSLA) steels, motor lamination steels, Advanced High Strength Steels (AHSS), and Ultra High Strength Steels (UHSS). IF steels are recognized as low carbon steels with micro-alloying levels of elements such as titanium and/or niobium added to stabilize carbon and nitrogen elements. HSLA steels are recognized as steels with micro-alloying levels of elements such as chromium, copper, niobium, titanium, vanadium, and molybdenum. Motor lamination steels contain micro-alloying levels of elements such as silicon and aluminum. AHSS and UHSS are considered high tensile strength and high elongation steels, although AHSS and UHSS are covered whether or not they are high tensile strength or high elongation steels.

Subject merchandise includes cold-rolled steel that has been further processed in a third country, including but not limited to annealing, tempering, painting, varnishing, trimming, cutting, punching, and/or slitting, or any other processing that would not otherwise remove the merchandise from the scope of the investigation if performed in the country of manufacture of the cold-rolled steel.

All products that meet the written physical description, and in which the chemistry quantities do not exceed any one of the noted element levels listed above, are within the scope of this order unless specifically excluded. The following products are outside of and/or specifically excluded from the scope of these orders:

- Ball bearing steels;<sup>11</sup>
- Tool steels;<sup>12</sup>
- Silico-manganese steel;<sup>13</sup>
- Grain-oriented electrical steels (GOES) as defined in the final determination of the U.S. Department of Commerce in *Grain-Oriented Electrical Steel from Germany, Japan, and Poland*.<sup>14</sup>

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<sup>11</sup> Ball bearing steels are defined as steels which contain, in addition to iron, each of the following elements by weight in the amount specified: (i) not less than 0.95 nor more than 1.13 percent of carbon; (ii) not less than 0.22 nor more than 0.48 percent of manganese; (iii) none, or not more than 0.03 percent of sulfur; (iv) none, or not more than 0.03 percent of phosphorus; (v) not less than 0.18 nor more than 0.37 percent of silicon; (vi) not less than 1.25 nor more than 1.65 percent of chromium; (vii) none, or not more than 0.28 percent of nickel; (viii) none, or not more than 0.38 percent of copper; and (ix) none, or not more than 0.09 percent of molybdenum.

<sup>12</sup> Tool steels are defined as steels which contain the following combinations of elements in the quantity by weight respectively indicated: (i) more than 1.2 percent carbon and more than 10.5 percent chromium; or (ii) not less than 0.3 percent carbon and 1.25 percent or more but less than 10.5 percent chromium; or (iii) not less than 0.85 percent carbon and 1 percent to 1.8 percent, inclusive, manganese; or (iv) 0.9 percent to 1.2 percent, inclusive, chromium and 0.9 percent to 1.4 percent, inclusive, molybdenum; or (v) not less than 0.5 percent carbon and not less than 3.5 percent molybdenum; or (vi) not less than 0.5 percent carbon and not less than 5.5 percent tungsten.

<sup>13</sup> Silico-manganese steel is defined as steels containing by weight: (i) not more than 0.7 percent of carbon; (ii) 0.5 percent or more but not more than 1.9 percent of manganese, and (iii) 0.6 percent or more but not more than 2.3 percent of silicon.

- Non-Oriented Electrical Steels (NOES), as defined in the antidumping orders issued by the U.S. Department of Commerce in *Non-Oriented Electrical Steel from the People's Republic of China, Germany, Japan, the Republic of Korea, Sweden, and Taiwan*.<sup>15</sup>

The products subject to these orders are currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under item numbers: 7209.15.0000, 7209.16.0030, 7209.16.0060, 7209.16.0070, 7209.16.0091, 7209.17.0030, 7209.17.0060, 7209.17.0070, 7209.17.0091, 7209.18.1530, 7209.18.1560, 7209.18.2510, 7209.18.2520, 7209.18.2580, 7209.18.6020, 7209.18.6090, 7209.25.0000, 7209.26.0000, 7209.27.0000, 7209.28.0000, 7209.90.0000, 7210.70.3000, 7211.23.1500, 7211.23.2000, 7211.23.3000, 7211.23.4500, 7211.23.6030, 7211.23.6060, 7211.23.6090, 7211.29.2030, 7211.29.2090, 7211.29.4500, 7211.29.6030, 7211.29.6080, 7211.90.0000, 7212.40.1000, 7212.40.5000, 7225.50.6000, 7225.50.8080, 7225.99.0090, 7226.92.5000, 7226.92.7050, and 7226.92.8050.

The products subject to the orders may also enter under the following HTSUS numbers: 7210.90.9000, 7212.50.0000, 7215.10.0010, 7215.10.0080, 7215.50.0016, 7215.50.0018, 7215.50.0020, 7215.50.0061, 7215.50.0063, 7215.50.0065, 7215.50.0090, 7215.90.5000, 7217.10.1000, 7217.10.2000, 7217.10.3000, 7217.10.7000, 7217.90.1000, 7217.90.5030, 7217.90.5060, 7217.90.5090, 7225.19.0000, 7226.19.1000, 7226.19.9000, 7226.99.0180, 7228.50.5015, 7228.50.5040, 7228.50.5070, 7228.60.8000, and 7229.90.1000.

The HTSUS subheadings above are provided for convenience and U.S. Customs purposes only. The written description of the scope of the orders is dispositive.

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<sup>14</sup> See *Grain-Oriented Electrical Steel from Germany, Japan, and Poland: Final Determinations of Sales at Less Than Fair Value and Certain Final Affirmative Determination of Critical Circumstances*, 79 FR 42501, 42503 (July 22, 2014). This determination defines grain-oriented electrical steel as “a flat-rolled alloy steel product containing by weight at least 0.6 percent but not more than 6 percent of silicon, not more than 0.08 percent of carbon, not more than 1.0 percent of aluminum, and no other element in an amount that would give the steel the characteristics of another alloy steel, in coils or in straight lengths.”

<sup>15</sup> See *Non-Oriented Electrical Steel from the People's Republic of China, Germany, Japan, the Republic of Korea, Sweden, and Taiwan: Antidumping Duty Orders*, 79 FR 71741, 71741-42 (December 3, 2014). The orders define NOES as “cold-rolled, flat-rolled, alloy steel products, whether or not in coils, regardless of width, having an actual thickness of 0.20 mm or more, in which the core loss is substantially equal in any direction of magnetization in the plane of the material. The term ‘substantially equal’ means that the cross grain direction of core loss is no more than 1.5 times the straight grain direction (*i.e.*, the rolling direction) of core loss. NOES has a magnetic permeability that does not exceed 1.65 Tesla when tested at a field of 800 A/m (equivalent to 10 Oersteds) along (*i.e.*, parallel to) the rolling direction of the sheet (*i.e.*, B800 value). NOES contains by weight more than 1.00 percent of silicon but less than 3.5 percent of silicon, not more than 0.08 percent of carbon, and not more than 1.5 percent of aluminum. NOES has a surface oxide coating, to which an insulation coating may be applied.”

